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REPORT
99-366

PUBLIC BUILDINGS AUTHORIZATION ACT OF 1986

AUGUST 1 (legislative day, JULY 28), 1986.—Ordered to be printed

Mr. STAFFORD, from the Committee on Environment and Public Works, submitted the following

REPORT

ORIGINAL

[To accompany S. 2397]

The Committee on Environment and Public Works, to which was referred the bill (S. 2397) to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1987, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

GENERAL STATEMENT AND MAJOR PROVISIONS

For the past eight years, the Committee has carried out its responsibility to authorize public building projects through development and passage of an annual authorization bill. This action replaces the requirement that the Committee approve an individual prospectus on each project one-by-one throughout the year.

S. 2397, the "Public Buildings Authorization Act of 1986" provides an authorization of $2,404,437,000 to the Public Buildings Service of the General Services Administration for the fiscal year 1987.

The bill contains the following amounts by functional budget categories:

Public Buildings Program, fiscal year 1987

1. Construction and Acquisition:	
S. 2397	120,672,000
Budget Request	100,000,000
Difference	20,672,000
2. Repairs and Alterations:	
S. 2397	304,409,000

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Budget Request	362,044,000
Difference	−57,635,000
3. Design and Construction Services:	
S. 2397	62,205,000
Budget Request	72,442,000
Difference	−10,237,000
4. Leasing:	
S. 2397	985,000,000
Budget Request	935,100,000
Difference	49,900,000
5. Real Property Operations:	
S. 2397	743,619,000
Budget Request	734,319,000
Difference	9,300,000
6. Program Direction:	
S. 2397	57,090,000
Budget Request	57,090,000
Difference	0
7. Purchase Contracts:	
S. 2397	131,442,000
Budget Request	143,442,000
Difference	−12,000,000
8. Total:	
S. 2397	2,404,437,000
Budget Request	2,404,437,000
Difference	0

The aggregate amount of $2,404,437,000 contained in the bill is the same as the obligational request contained in the 1987 Budget.

CONSTRUCTION AND ACQUISITION

This bill authorizes $120,672,000 for the construction and acquisition of facilities during fiscal year 1987. This amount, which exceeds the budget request by $20,672,000, includes funds for one additional project, the construction of a Federal building to house the data processing center of the Social Security Administration in Wilkes-Barre, Pennsylvania.

LEASING SHORTFALL

GSA's $935 million request in the President's Budget for leasing is currently estimated to understate the funds needed by at least $50 million. The agency attributes its failure to provide an accurate assessment of the total leasing requirement to three factors: (1) increases in fiscal year 1986 lease costs that were higher than originally estimated, (2) changes to the leased space inventory during fiscal year 1936 that varied from original plans due to the requirements of customer agencies with expanding programs, and (3) delays in lease cancellations resulting from delays in building purchases and the delivery of new construction projects.

S. 2397 authorizes $985 million for the rental of space, which includes $50 million to cover the estimated shortfall. This additional amount is provided without increasing the aggregate requirements of the public buildings program for fiscal year 1987. "Savings," principally derived from the deferral of repair and alteration

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projects not likely to require construction funding until the end of the fiscal year, were applied to the rental of space account. Changes to the repair and alteration program are described in greater detail below.

Although the Committee has made the necessary adjustments in its fiscal year 1987 authorization of the public buildings program to compensate for the shortfall in the leasing budget, the specter of escalating leasing costs remains. GSA points to initiatives it has undertaken to reduce the need for leased space—by improving utilization rates or lowering its cost by moving agencies to less expensive suburban locations. Without disparaging the importance of these steps, their success in reducing costs cannot keep pace with the factors which promote cost escalation. Leasing new space to meet agency expansion requirements and replacing older expiring leases with new ones at higher current market rates generate cost increases with a sizeable and immediate impact on the total leasing budget. GSA's initiatives have a more modest cost reducing effect and require a protracted time frame for their implementation. Therefore, these initiatives produce insufficient savings to offset increased demand for space and higher leasing rates. Without a means to substantially increase the inventory of federally-owned buildings, annual leasing budgets in excess of $1 billion will undoubtedly by a predominant and permanent feature of the public buildings program.

REPAIR AND ALTERATION PROGRAM CHANGES

S. 2397 authorizes appropriations of $304,409,000 for the repair and alteration of public buildings, $57,635,000 less than the amount requested in the President's Budget. Nine projects were eliminated from the fiscal year 1987 program in order to produce savings to cover the anticipated shortfall in the rental of space and real property operations budget activities. Projects were chosen for deferral based on information supplied by GSA concerning the agency's ability to commence construction during fiscal year 1987. The Committee acted without prejudice regarding the merits of the deferred projects and expects the General Services Administration to resubmit its request for funds for the fiscal year during which the commencement of construction can be assured.

Six of the nine projects chosen for postponement by the Committee were being considered or proposed by GSA as candidates for reprogramming during fiscal year 1987. The following five projects were listed by GSA as being likely to slip, as whole or in part, to fiscal year 1988:

Illinois, East St. Louis, Federal Building, Courthouse
Louisiana, New Orleans, Hebert Federal Building
New York, Brooklyn, Federal Building No. 2
North Carolina, Asheville, Federal Building
Virginia, Arlington, Federal Building No. 2

A sixth project—the Los Angeles, California, Federal Building—was proposed by GSA for deferral due to the revision of project requirements and is not included in the bill.

Three additional repair and alteration projects included in GSA's budget request have not been authorized in S. 2397 because the

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agency states that construction will not begin until September 1987, the end of the fiscal year. To postpone funding of these projects will result in little, if any, delay in their completion. The projects are as follows:

Alabama, Birmingham, Federal Building, Courthouse
Missouri, Kansas City, 2306 E. Bannister
Texas, San Antonio, Post Office, Courthouse

Earlier this year GSA requested and received approval to reprogram funds for two fiscal year 1986 repair and alteration projects—the Federal Building, Courthouse in Denver, Colorado and the Terminal Annex in Dallas, Texas. Funds were reprogrammed to the real property operations and rental of space budget activities on the grounds that construction could not commence during fiscal year 1986. The bill reinstates these two projects for fiscal year 1987, when they can be scheduled for construction award.

Another change to the repair and alteration program concerns the proposed project at the Pentagon. GSA submitted to the Committee a prospectus proposing a $20 million renovation project and requesting $12.4 million to commence the first phase of the project during fiscal year 1987. An additional $2.4 million has been requested for the design and construction services budget to design other renovations to the Pentagon with an estimated construction cost of $40 million.

In its written response to a question about the Pentagon for the hearing record on S. 2397, GSA informed the Committee that between $360–$400 million would be required for the total renovation of the building. The current prospectus proposal contains no indication that this level of resources will ultimately be required. Neither does it convey the impression that the repairs budgeted for fiscal year 1987 represent the lead elements of a planned approach to meeting the needs of this important facility. Quite the contrary, there is reason to believe that the project is being approached on a piecemeal basis, when GSA should plan so massive an undertaking in a coordinated fashion.

Among listed work items in the current prospectus is the requirement to rebuild the structural floor system of the Pentagon Officers Athletic Club (POAC) at a cost of $2.6 million. The POAC is located in a detached structure separated from the Pentagon building by a highway. It is a very heavily utilized facility with a host of renovation needs; correcting the defects in the floor system may not be the most significant of these. GSA's inadequate presentation of the requirements of the POAC building and the listing of this project as a work item in the Pentagon prospectus when it merited the submission of a separate prospectus, lessens the confidence which can be placed in GSA's current proposal for the Pentagon.

S. 2397 authorizes $7 million for the removal and replacement of PCB-filled electrical transformers at the Pentagon. This priority work, not specifically mentioned in the prospectus, was indentified by GSA in testimony before the Committee. In addition, $525,000 has been authorized under the design and construction services budget activity to cover the design costs associated with this replacement project.

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Authorization has not been provided for the remaining $5.42 million requested for repairs and alterations nor for the $2.4 million requested to design an estimated $40 million in future years construction work. A comprehensive assessment of the Pentagon's renovation requirements and a coherent strategy for meeting those requirements are a prerequisite for Committee consideration of future GSA requests pertaining to this building.

Two additional changes were made to the repair and alteration program relative to the budget request. The amount authorized for renovation and repair projects with construction costs of less than $500,000 was reduced by $3.6 million, and the amount authorized for alterations of leased buildings was reduced by $1 million.

DESIGN AND CONSTRUCTION SERVICES

Beginning with fiscal year 1985, the design, management and inspection costs associated with new construction and repair and alteration projects have been requested in the President's budget as an aggregate amount under the design and construction services budget activity. Prior to the inception of this practice, such costs were included in the budget request for each individual project and were listed in the project prospectuses submitted by GSA to the Congress. The amounts appropriated for each line-item new construction or repair and alteration project also included the associated design and construction supervision costs for that project.

Internally, GSA tracked the expenditures for project design, management, and inspection using a separate construction services fund and a complicated system allocating the time spent by Public Building Service staff on each project. Although total charges against the construction services fund remained within budgeted limits, individual projects with higher than budgeted design costs were offset by other projects with lower than estimated costs. Whenever the design costs for a project exceeded the budgeted amount, the total expenditure for both design and construction might exceed the line-item amount appropriated for the entire project. Only savings on the contract awarded for construction could properly keep a project with design cost overruns from exceeding appropriations limitations. When overspending did occur, it violated the Anti-Deficiency Act, which requires Federal agency expenditures to conform to the limitations established in the appropriations acts. On the basis of an audit performed by the Office of the Inspector General in 1982, GSA decided to eliminate the construction services fund.

The design and construction services budget activity (BA 90 account) has been a problematic successor to the construction services fund. Committee staff discovered mistakes and irregularities in the design and construction services budget request for fiscal year 1987. GSA was found to have submitted duplicate requests for the design or management and inspection of several repair and alteration projects which already had received appropriations for the same purpose in fiscal years 1985 or 1986. Subsequently, GSA confirmed these findings in testimony presented to the Committee for the hearing on S. 2397.

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The General Services Administration has strongly favored the use of a separate budget account for design and construction services. Agency officials claim that requesting funds to design a repair and alteration project two or three years in advance of requesting funds for actual construction work saves time and money. A further benefit attributed to the design and construction services account is the flexibility resulting from its being funded on a lump-sum basis. A shortfall resulting from an underestimate of the design costs on one project can be covered with the surplus from some other project with overestimated design costs. No violation of the Anti-Deficiency Act occurs as long as total expenditures for design and construction services do not exceed total funds available from appropriations made to the BA 90 account. All such appropriations are "no-year funds" which remain available until expended.

The Committee on Environment and Public Works does not accept GSA's lump-sum accounting of the design and construction services costs associated with its new construction and repair and alteration projects. The agency embraces the flexibility of the lump-sum approach but has not held itself responsible for the careful management of funds and budget requests which such flexibility entails. S. 2397 authorizes projects within the BA 90 account on a line-item basis, using the project-specific cost estimates GSA provides in its budget justification. The Committee holds the General Services Administration accountable for conforming to these budgeted amounts or providing a written explanation why shortfalls have occurred and what source of funds is being tapped to cover them.

The Committee has authorized $62,205,000 for design and construction services, $10,237,000 less than had been requested in the President's Budget. The amount authorized for the management and inspection of repair and alteration projects scheduled for construction during fiscal year 1987 reflects the postponement of nine projects to a subsequent fiscal year. There has also been a $4,436,000 reduction, relative to the budget request, in the amount authorized for non-line-item repairs and alterations, projects individually costing less than $500,000.

In addition to the reductions just noted, this legislation authorizes amounts for specific projects which differ from those requested in the budget. $2,066,000 in funds requested for the Steam Distribution System in Washington, D.C. includes $759,000 which had already been appropriated during fiscal year 1986. Only $1,307,000 is authorized under design and construction services for this project. Changes in the scope of work authorized for fiscal year 1987 construction at the Pentagon has resulted in a corresponding change in design costs; the bill authorizes $525,000 instead of $740,000 requested in the budget. Also, $2.4 million for the design during fiscal year 1987 of $40 million in future-year renovations to the Pentagon has not been authorized for reasons previously stated.

Subsequent to the submission of the President's Budget, GSA altered its priorities for projects to be designed during fiscal year 1987 and funded for construction in future years. With the exception of the Pentagon, S. 2397 authorizes the projects included by GSA in its Amended Prospectus for Design. Also, funds have been

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added to design three additional courtrooms, adjacent facilities, and a jury assembly room for the United States Courthouse in Louisville, Kentucky. The proposed work would expand the scope of a fiscal year 1986 renovation project authorized for this facility. $139,000 has been included in this bill to commence design on an estimated $1.5 million in additional renovations.

Although the Committee has not authorized the construction phase of renovations to the Federal Building at 300 North L.A. in Los Angeles, California, GSA has revised its estimate of the funds required to design this project. For this purpose $173,000 in additional design funds has been authorized.

S. 2397 authorizes $20.7 million for the construction of the Social Security Administration Data Processing Center in Wilkes-Barre, Pennsylvania. To cover the design costs associated with this project, $2,997,000 has been included under design and construction services.

REAL PROPERTY OPERATIONS

GSA has estimated that its budget request of $734,319,000 for real property operations understates by $18,900,000 the amount needed to maintain current levels of customer service in the areas of cleaning and protection. S. 2397 authorizes $743,619,000 for this budget activity, including $9,300,000 to cover part of this shortfall. The Committee advises GSA to pursue its previously indicated plan to reprogram $9,600,000 from prior year repair and alteration projects to fund its remaining requirements for real property operations.

PURCHASE CONTRACTS

S. 2397 authorizes $131,442,000 for purchase contract payments. This amount, $12 million less than the budget request, takes into account savings realized by GSA's open market purchase of participation certificates.

SECTION-BY-SECTION ANALYSIS

SECTION 2

Section 2 establishes the restriction that no appropriation, including any appropriation from the Federal Buildings Fund, for the purposes of the bill, i.e., for the Public Buildings Service, is to be made unless it has been authorized by the Congress in accordance with this bill. This binding restriction by the Congress upon itself is similar to the provision contained in the Public Buildings Act of 1959 (P.L. 86-249). The subsection adds the further restriction that no appropriation for the Public Buildings Service shall be obligated by GSA unless it has been authorized in accordance with this bill.

SECTION 3

Section 3(a) states that no public building construction, renovation, alteration, or acquisition is to be commenced unless an appropriation has first been made—in the amount of the estimated cost of the completion of the project—in the fiscal year for which the

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project is authorized. This provision is consistent with the "full finding" concept of budgeting and applies to all new construction and all renovation, alteration and repair projects authorized by section 4(a) and 4(b) of this legislation.

In fact, this policy is consistent with present practice for new construction projects. Appropriations are made for the total estimated cost of completion before the actual construction works begins, even though obligations and outlays may extend over three to five or more years.

The full funding requirement of section 3(a) is not intended to apply to those new construction and repair and alteration projects authorized for design only during fiscal year 1986 pursuant to section 4(c) of this legislation. This requirement will apply to such projects when their construction phase is authorized in a subsequent fiscal year.

Section 3(b) states that in fiscal year 1988, no lease is to be entered into unless contract authority (a special form of budget authority) for the maximum costs of the lease over its entire term and a commensurate appropriation are provided in the fiscal year for which the lease is authorized.

Under present accounting procedures, each year's new leasing authorization is used by GSA to enter into leases of from one to twenty years, but only the current year's obligation is counted in that authorization. This omission of lease commitments for all future years from both the executive branch and congressional budgets grossly understates leasing costs. It skews decisions away from construction and acquisition, and introduces a bias in favor of constantly escalating lease commitments.

The bill's restriction that appropriations may be made only in the year for which they are authorized is an important departure from current practice. At present, when a project proposal is submitted to the Committee by GSA, it is not often tied to any funding schedule. Under this practice, projects are authorized without regard to fiscal year limitations, and a backlog of authorized but unfunded projects tends to build up.

This bill authorizes appropriations for just one fiscal year. These authorizations are limited in duration. In this respect, the bill authorizes an annual national buildings program, not a series of independent, unrelated, projects. Work authorized by the bill but not funded by appropriations for fiscal year 1986 have to be reauthorized in a subsequent year's annual program authorization bill.

SECTION 4

Section 4 authorizes appropriations from the Federal Buildings Fund in the amount of $2,404,437,000 for fiscal year 1986 for the Public Buildings Service.

Section 4(a) authorizes $120,672,000 including $93,338,000 for the purchase of buildings under the so-called "Opportunity Purchase Program" for the construction and acquisition of buildings in fiscal year 1987. Descriptions of authorized major projects (those over 10,000 gross square feet) are as follows:

Pennsylvania, Wilkes-Barre, Social Security Administration Data Processing Center	$20,672,000

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The bill contains $20,672,000 for the construction of a federally-owned Data Processing Center of the Social Security Administration in Wilkes-Barre, Pennsylvania. This data processing center, which has been located in Wilkes-Barre for a number of years, is the largest of the three centers in the nation. The operation is now divided into four separate locations, and the Social Security Administration has sought consolidation for years.

In 1982, GSA submitted to the Congress a proposal to construct a three-story building in the flood plain in Wilkes-Barre despite the insistence of the Social Security Administration that a one-story facility was essential for the efficiency and productivity of their operation. Furthermore, GSA proposed to house numerous federal agencies in the facility, even though the Social Security Administration had argued that maintaining the security of its records required it to be the sole occupant of the facility.

GSA requested authority to enter into a lease agreement that over the 20 year term of the lease would cost the Government up to $120 million. In contrast, Federal construction is now estimated by GSA to cost $24 million. On December 14, 1982 the Committee on Environment and Public Works reported to the Senate S. Res. 514 requesting the U.S. Army Corps of Engineers, in consultation with the Social Security Administration, to study the space needs of the Data Processing Center in Wilkes-Barre together with a comparison of the available means of meeting such needs.

Early in 1983, the Corps of Engineers reported that a building large enough to accommodate the space needs of the data processing center was for sale in the vicinity of Wilkes-Barre. The ten-year old, one story structure was above the flood plain and was available for an asking price of $5 million. The Social Security Administration indicated that with alterations it would meet their requirements. GSA had the authority and funds to make the purchase, and Congress appropriated $14 million to enable GSA to alter the building after it was acquired.

GSA did not agree and has since spent part of the repair funds for other purposes. Instead of purchasing the building for roughly three times the annual rental bill of the Social Security Administration in Wilkes-Barre, GSA signed a 5-year lease for a fraction of the same building to meet expansion requirements of the Data Processing Center. The GSA has already spent more to lease space for the Center in Wilkes-Barre than the building would have cost had it been purchased when it first became available.

Earlier this year, GSA submitted another proposal to the Congress, which again requested authority to lease space in Wilkes-Barre. The 20-year cost of this proposal is up to $64 million, and possibly more. This bill, in contrast, authorizes $20.7 million for direct Federal construction with design funds authorized under the design and construction services account.

New Mexico, Columbus, Border Station 2,680,000

Columbus, New Mexico, is a small rural town of just over 400 people located 30 miles south of Deming, New Mexico, and 3 miles north of the International boundary with Mexico. The existing border station is undersized and functionally obsolete. It is lacking in many of the features necessary for efficient and safe operation by the inspection services. Its distance from the border crossing also creates security problems. The General Services Administration proposes to construct a modern facility with two vehicle inspection lanes, commercial import facilities, and 1,790 square feet of office space. The facility will be designed for future expansion.

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New York, Wellesley Island, Thousand Island Bridge U.S. Border Station 1,925,000

GSA proposes to purchase the Thousand Island Bridge Border Station complex located on the United States-Canadian border at Wellesley Island, New York. Wellesley Island is the largest of the Thousand Island chain and is located in the Saint Lawrence River northeast of Lake Ontario.

The U.S. Border Station complex consists of seven buildings on a 1.75 acre site, and is leased from the Thousand Islands Bridge Authority. The lease will expire September 30, 1986. The property contains a total gross building area of 50,248 square feet, with a usable area of 45,587 square feet.

The purchase price of the property, including settlement costs, will be $1,925,000. The property was appraised in April 1985, at $2,000,000. All structures are in good condition and meet GSA standards. No essential repairs and alterations are required; there are no asbestos-containing materials onsite. Sewage disposal is handled onsite with power and other utilities provided commercially.

Building Purchase Program 93,338,000

The building purchase program provides for the purchase of commercial buildings where particularly good opportunities exist and where high rental costs make owning rather than renting economically preferable. Funds in the amount of $93,338,000 are authorized for this purpose.

Small Construction Projects 1,000,000

The sum of $1,000,000 is authorized for the construction of small projects whose total federal cost is less than $500,000 per project.

These funds will be utilized to pay for the United States portion of the construction of two joint U.S./Canadian border facilities at Alburg, Vermont and Danville, Washington.

Columbia, South Carolina, Federal Building, Courthouse (Claim)..... 1,057,000

This is an authorization to pay a claim of $1,057,000 against a project for which funds have lapsed. The project was originally funded by Purchase Contract authority under an indenture that collapsed on November 18, 1980, and appropriated funds that were rescinded in FY 1975.

In 1985 this claim, with interest, was paid by the U.S. Treasury under the terms of the Contract Disputes Act of 1978, which requires that reimbursement be made by the agency whose appropriations were used for the original contract.

Section 4(b)(1) authorizes $162,825,000 for the repair and alteration of public buildings at the following locations, each project having maximum construction costs in excess of $500,000:

Arizona, Phoenix, Federal Building-Courthouse $762,000

Alterations are proposed for the Federal Building-Courthouse, 230 N. First Ave. Phoenix, Arizona to accommodate expansion requirements of the U.S. District Courts. Constructed in 1962, this eight-story structure of reinforced concrete has an occupiable area of 196,694 square feet and houses approximately 600 employees. The principal occupants are the U.S. Courts and the Department of Justice. The project includes the construction of an eighth District Courtroom, adjunct facilities, and chambers in 5,280 square feet of space.

California, San Diego, Federal Building..... 1,576,000

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GSA proposes the completion of the renovation of the Federal Building at 325 West F Street, San Diego, California. The Federal Building was constructed in 1913 as a Customs House and Courthouse. This four-story building blends elements of Spanish colonial and classical revival styles in a reinforced concrete structure with brick, loadbearing exterior walls finished in stucco. There have been various additions to the building since the original construction, enclosing an interior courtyard. In 1973, the Federal Building was listed on the National Register of Historic Places. The building has an occupiable area of 38,400 square feet on three floors and a basement and was utilized by the District Courts until the new San Diego Federal Building Courthouse was constructed in 1976. It is now vacant.

GSA has requested additional authority to cover the escalation of costs since submission of a previously approved prospectus. The work originally proposed in that prospectus will be completed, providing for the build-out of the basement and special use areas of the building.

The primary tenant will be the Immigration and Naturalization Service, which will relocate from the new Federal Building-Courthouse at 880 Front Street, San Diego. This space will be backfilled by expansion requirements of current tenants and by tenants relocating from expiring lease locations.

California, San Diego, Federal Building–U.S. Courthouse 1,178,000

GSA proposes space alterations in the Federal Building-U.S. Courthouse to accommodate the expansion requirements of the U.S. District Courts and related agencies. The San Diego Federal Building-U.S. Courthouse, located at 880 Front Street, was completed in 1976. The facility consists of two structures connected by a bridge and provides a total occupiable area of 674,865 square feet. The Federal Building structure consists of six stories and two below-ground levels. The five-story Courthouse also has one below-ground level. Additional office space is provided in the connecting bridge. The facility houses 2,044 Federal employees.

The planned work includes the construction of a tenth District Courtroom, adjunct facilities and judge's chamber. The project also involves construction of a jury assembly lounge, a second grand jury room, additional space for the District Court Clerk's office, and District Court exhibit storage.

The proposed project will provide the additional facilities which are required as a result of a District Judge assuming senior status in June, 1985. Seven active judicial positions are currently authorized for the Southern District of California. In addition, there are three senior judges. Upon selection of a replacement for the new senior judge, there will be 10 District Judges. Currently, there are nine District Courtrooms and judges' chambers in this building.

California, San Francisco, U.S. Court of Appeals and Post Office..... 1,683,000

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This project proposes alterations to the U.S. Court of Appeals and Post Office Building in San Francisco to accommodate the expansion requirements of the Court of Appeals. The facility was completed in 1905 and extended in 1937. It provides 191,372 occupiable square feet of space. The building is an architectural and historic treasure, beautifully detailed both inside and outside. The building is listed on the National Register of Historic Places, and is probably the most ornate of all Federal Buildings west of the Mississippi River. Built in the style of the Italian Renaissance Palazzo, and influenced by the Beaux-Arts school of architecture and the Federal tradition of the early republic, the building is a quadrangle with an inner courtyard above the main floor. The facade is granite with inlaid marble and terra cotta trim. The interior is embellished with terrazzo, American, African and Italian marble, mosaics, murals, carved woods and period furnishings. The first and third floor main corridors, the courtrooms and some of the judges' suites are the major architectural features of the building.

As a result of the Bankruptcy Amendments and Federal Judgeship Act of 1984, the U.S. Court of Appeals, Ninth Circuit increased the number of resident circuit judges from four to six and the number of visiting judges from eleven to seventeen.

The proposed project will accommodate the expansion requirements of the Court of Appeals in an existing Federal Building. The project ensures the preservation and continued use of a historically significant government-owned asset.

California, San Francisco, Phillip Burton Federal Building-Courthouse 20,000,000

The Federal Building-Courthouse, a 20-story office building constructed in 1964, provides a gross area of 1,412,827 square feet with an occupiable area of 936,400 square feet, housing approximately 4,500 employees. The principal tenants are the Departments of Justice, Commerce, Interior, Labor, State, Treasury, Housing and Urban Development, and the U.S. Courts.

The proposed project will be accomplished in a four-year period with three funding phases. The total project is to remove all asbestos fireproofing in the building and replace it on the major structural components with a non-asbestos material; install a fire sprinkler system on the 2nd through 20th floors; replace transformers and modify the related electrical distribution system; and provide space alterations, including carpet, partitions, and realignment of the heating, ventilating and air conditioning system.

The first funding phase will provide a fire standpipe system for the entire building, replace polychlorinated biphenyl cooled transformers, and remove asbestos from eight floors of this twenty story building. Fire sprinklers will be installed, ceilings and lights will be replaced and space alterations will be accomplished on the eight floors planned for asbestos removal.

This project is a priority asbestos abatement project, based on an assessment of the asbestos material in the building. Removal of the asbestos fireproofing will eliminate the potential of asbestos exposure. The installation fire sprinklers is the most feasible means of providing fire protection to this high-rise building.

Colorado, Denver, Federal Building, Courthouse 8,540,000

The Federal Building-Courthouse is a five-story structure built in 1931 and extended in 1937. It is listed on the National Register of Historic Places and houses approximately 760 employees.

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The purpose of this project is to provide long-term housing for the U.S. Bankruptcy and Tax Courts. The planned space reassignments would consolidate all the U.S. Courts in the downtown Federal complex and would result in the cancellation of about 22,590 square feet of leased space. The project includes the construction of five courtrooms, judges chambers, and ancillary facilities. New building systems will be installed to serve the new tenants, along with general upgrading of office and storage space throughout the building. The outdated electrical system will be replaced, and the heating, ventilating, and air conditioning system will be modified to provide service to the renovated building and to conserve energy. Other energy conservation features to be installed include storm windows, weatherstripping, and enhanced insulation. Fire sprinklers will be added to the basement and sub-basement to protect the building and its occupants.

District of Columbia, Federal Building, New Post Office 1,700,000

The Federal Building located at 1200 Pennsylvania Avenue, in Washington, D.C., was constructed in 1934. It is eight stories in height plus a basement and provides a gross area of 818,580 square feet and an occupiable area of 456,223 square feet. The primary tenants are the Department of the Treasury and the Internal Revenue Service. The building houses 3,069 employees.

GSA proposes repairs and modifications to the 11 passenger elevators to improve the reliability of the vertical transportation in the building. The work includes upgrading the elevators to current standards, providing fireman's capture and handicapped features.

District of Columbia, District Heating System 13,796,000

The District Heating System, comprised of the Central Heating and Refrigeration Plant, West Heating Plant, and the Steam Distribution Complex provides steam for heating and hot water, and to a limited degree, chilled water for cooling to 117 Federal and quasi-governmental buildings in the downtown area of Washington, D.C. These buildings include the new Smithsonian Institution, 11 District of Columbia Government buildings, the American Red Cross, the Pan American Union, Corcoran Art Gallery, and Constitution Hall.

The proposed project will provide necessary repairs and modifications to the Steam Distribution Complex. In particular, the structural integrity of the Steam System Distribution Complex will be restored by the repair of spalled concrete in the tunnel, reinforcement of the manhole at 'C' Street and other related major repairs. The above repairs and alterations should reestablish safe and sound working conditions and more practical operation and maintenance activities in the Steam Distribution Complex.

Florida, Miami, Federal Building 11,481,000

The Miami Federal Building was constructed in 1963 and provides a gross area of 290,697 square feet and an occupiable area of 197,891 square feet. It is a 16-story, high rise office building housing approximately 1,300 employees.

This is a priority asbestos abatement project which will remove all fireproofing in the building, replace it on all major structural components with a non-asbestos material and install an automatic fire sprinkler system, firestopping, smoke control system, and a fire alarm and voice communication system. During the asbestos removal process, the existing interior finishes will be removed. New ceiling, lights, partitions, and floor and window coverings will be installed.

Hawaii, Honolulu, Prince Jonah Kubio Kalanianaole FB–CT 1,850,000

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This project provides for alterations to the Prince Jonah Kuhio Kalanianole Federal Building Courthouse in Honolulu, Hawaii to accommodate the expansion requirements of the U.S. Courts. The Courthouse currently has four courtrooms and three chambers for judges of the District Court and one chamber for a Circuit Judge. Major items of work include construction of a fifth courtroom and chamber; realignment of the U.S. Magistrate and Grand Jury functions to provide a sixth courtroom; conversion of a Circuit Judge's chambers into a Senior Judge's chambers; construction of replacement chambers for the Circuit Judge; and provision for the expansion and relocation of the U.S. Passport Office.

Illinois, Chicago, U.S. Railroad Retirement Board Building 5,200,000

GSA proposes renovation of the U.S. Railroad Retirement Board Building in Chicago. The building, a 14-story structure of reinforced concrete faced with brick, was constructed in 1923 and acquired by the Government in 1942. The building has a gross area of 360,350 square feet, an occupiable area of 258,840 square feet, and houses 1,250 employees.

To provide firesafety protection for this building and its occupants, fire sprinklers will be installed in all areas not presently equipped with sprinklers. Fire subdivision walls will be provided to compartmentalize the building. Fire resistant doors will replace existing doors leading to stairway and elevator lobbies. The obsolete electrical system will be upgraded. Heating, ventilating, and air-conditioning system repairs are required to replace the leaking water and steam control valves and the deteriorated air-handler dampers and air-compressors. New plumbing and piping will be installed, replacing the 60-year-old pipes. The original roof drains and galvanized house storm water piping have developed leaks and will be replaced.

Massachusetts, Boston, John F. Kennedy Federal Building 13,544,000

The John F. Kennedy Federal Building, constructed in 1967, is a 26-story high-rise and 4-story low-rise building providing a gross area of 927,397 square feet and an occupiable area of 677,815 squre feet housing approximately 3,700 employees.

The proposed project will be phased over a three year period. The entire project will install a fire sprinkler system, remove asbestos fireproofing and replace it with non-asbestos materials, upgrade electrical, heating, ventilating, and air conditioning systems, provide space alterations, upgrade the elevator system, and install a new telecommunications system.

Missouri, St. Louis, Mart Federal Building 20,000,000

The Mart Federal Building, built in 1931 as a Merchandise Mart, was purchased by the Government in 1960. It has a gross area of 1,100,000 square feet and an occupiable area of 757,000 square feet (excluding the tower). The building is more than 50 percent vacant. This is the first phase of a three phase $56,738,000 project to accomplish a complete renovation of the buiiding, except for the 8-story tower section. The same type of work will be accomplished in each phase in different portions of the building.

Nevada, Las Vegas, Federal Building-Courthouse 2,197,000

This project provides for alterations to the Federal Building-Courthouse to accommodate the expansion needs of the Courts. The facility is located at 300 Las Vegas Boulevard South in the downtown area of Las Vegas. The four-story building has an occupiable area of 133,583 square feet.

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As a result of the Judgeship Act of 1934 (PL 98-353), a new District Judge was appointed. This project proposes the construction of a courtroom and chambers to house the new judge; the relocation and expansion of Pre-trial Services, Public Defender, Probation, and the Magistrate's facilities; the expansion of the Clerk's and U.S. Marshal's facilities; the construction of a Jury Assembly Room; and the relocation of the Bankruptcy Court within the building.

New Jersey, Trenton, Federal Building-Courthouse 2,070,000

This Federal Building-Courthouse is located at 402 East State Street in downtown Trenton. The building offers 109,385 occupiable square feet of space to 344 employees. Completed in 1932, the building contains five stories. Major renovations of the building began in the late 1970's.

The District Court in Trenton is a part of the Third Circuit, which has one of the fastest growing caseloads in the country. Although not affected by the 1984 Judgeship Act, the U.S. District Court requires expansion for District Courtrooms and two Magistrate Courtrooms. The Court of Appeals also needs space for an expanded operation.

The U.S. Postal Service has vacated the entire first floor of the building, providing an opportunity to satisfy the Court's needs in the building. The proposed project will convert the first floor postal workroom space into office space. At the same time, all windows will be replaced. GSA states that this project will complete all the major repair and alteration work on the building for the foreseeable future.

New York, New York, Customhouse 8,000,000

The Customhouse was constructed in 1907 and is listed in the National Register of Historic Places. It provides a gross area of 352,948 square feet and an occupiable area of 238,117 square feet.

Funds for this project were authorized in fiscal years 1981 and 1982 in the amounts of $7,192,000 and $22,295,000 respectively. This final phase of the project will complete the restoration and renovation of the facility. Electrical, heating, ventiliating and air conditioning systems; exterior restoration; and selected space alterations are currently underway. This proposed work will extend additional mechanical and electrical services to the vacant areas in preparation for final space alterations. Office finishes such as partitions, ceilings, lighting and flooring will be provided.

Oregon, Portland, Federal Building 12,069,000

The Federal Building, a 10-story high-rise structure, was constructed in 1953 and acquired by GSA in 1960. The building contains a gross areas of 314,570 square feet and an occupiable area of 205,255 square feet. Construction of the new Eastside Federal Building is taking place on an adjacent site. The two buildings will be complementary and share facilities including cafeteria, conference, and parking space.

The building currently houses 990 employees and is occupied by the Bonneville Power Administration (BPA), which is scheduled to move into the new Eastside Federal Building and additional leased space in December 1986. After BPA vacates, this facility will be renovated to accommodate other agencies now principally housed in leased space.

The renovation project will provide: seismic reinforcement; handicapped modifications; removal and replacement of asbestos fireproofing; installation of a firesprinkler system, emergency generator, and fire alarm system; upgrade of the electrical system, building plumbing and heating, ventilation, and air conditioning systems; repair of the building exterior and replacement of its roof; and conversion of the interior to open space planning.

Texas, Dallas, Federal Building 1,600,000

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The Federal Building at 1114 Commerce Street in downtown Dallas was constructed in 1928 as a combination office building and warehouse. It was converted to an office building before the Government acquired it in 1942. The facility has 21 floors, including the basement and an elevator penthouse, which provide a gross area of 424,531 square feet and an occupiable area of 263,367 square feet. It is connected at several levels to the adjacent, more recently contructed Earle E. Cabell Federal Building-Courthouse at 1100 Commerce Street.

GSA proposes the replacement of six passenger elevators in the 1114 Commerce Street facility. The two Federal Buildings function as a unit because of their adjacency and access at several floor levels; replacement of elevators will facilitate operations between the buildings.

Texas, Dallas, Terminal Annex 4,600,000

This building, which was constructed in 1937 as a Post Office and bulk mail handling facility, has been nominated to be listed in the National Register of Historic Places. The five-story concrete structure provides a gross area of 249,800 square feet and will provide on occupiable space of 180,000 square feet after completion of the renovations.

In the Fiscal Year 1983 Continuing Resolution, $7,997,000 was made available for the alterations required to upgrade this building from vacant warehouse-type space into an office building. Since that time, GSA has selected this building to serve as a demonstration for adapting an existing facility for future high technology systems operation.

Tenants' needs and telecommunications changes resulting from the divestiture of AT&T, require that GSA provide telephone service features as part of the basic building package. Therefore in order to complete the renovation of this facility, an additional $4,600,000 is required. Upon completion of the alterations, leases will be canceled and agencies will be relocated to this facility.

GSA received an appropriation of $4,600,000 for this project for fiscal year 1986 but reprogrammed the funds to the rental of space and real property operations budget accounts. The project is being reinstated for fiscal year 1987.

Utah, Salt Lake City, Post Office/Courthouse 675,000

The U.S. Post Office and Courthouse located at 350 South Main Street was constructed in 1905 and extended in 1912 and 1932. It is a five-story (plus basement) office, post office and courthouse facility, listed in the National Register of Historic Places. It has an occupiable area of 146,955 square feet.

The proposed alterations will permit the expansion of the U.S. Courts into space currently occupied by the U.S. Postal Service (USPS). The existing downtown Post Office will be relocated to another location under USPS leasing authority.

Wisconsin, Milwaukee, Federal Building-Courthouse 2,799,000

The five-story Federal Building and U.S. Courthouse in Milwaukee was constructed in 1898 and extended in 1932 and 1941. It is listed in the National Register of Historic Places. It contains a gross area of 483,987 square feet and an occupiable area of 256,238 square feet.

The inadequate air conditioning system which services the first floor offices and main lobby will be refurbished. The deteriorated hot and cold water galvanized piping in the original building will be replaced. The existing leaky casement and fixed windows on the first floor of the original building will be replaced with new double-glazed, single-hung windows to restore them to their original appearance. In addition, the leaky, steel, double-hung windows on all floors of the south addition will be replaced with new double-glazed, single-hung windows.

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To provide firesafety protection for this building and its occupants, fire sprinklers will be installed in all areas not so equipped, including the basement and subbasement, two 4th floor libraries and the atrium. A smoke removal system will be installed in the atrium. All polychloride biphenyl transformers will be replaced.

Wyoming, Casper, Federal Building-Courthouse 1,923,000

The U.S. Federal Building-Courthouse, located at 111 South Wolcott, was constructed in 1932. It is a three-story and basement red brick structure with grey sandstone trim. This facility is a monumental building, symbolic of the dignity of the judicial system and potentially eligible for inclusion in the National Register of Historic Places. It has an occupiable area of 23,825 square feet and a gross area of 49,290 square feet. The proposed alterations will permit the expansion of the U.S. Courts into space currently occupied by the Bureau of Land Management, Fish and Wildlife Service, and Interstate Commerce Commission.

Existing Court facilities are for a visiting judge. With a new resident District Judge at this location, approximately 8,700 square feet of space will be required to expand existing chambers and to provide adjunct facilities, offices for court support activities (e.g. probation office), a courtroom and chambers for use by a visiting District Judge/Bankruptcy Judge/Magistrate, and facilities for court-related activities (e.g. U.S. Attorney).

To accommodate these facilities, the support space on the first floor and the existing U.S. Court facilities on the second floor will be upgraded. Court related mechanical and electrical systems will be provided to include lighting, heat, ventilating, and air conditioning systems, sound system and security. The primary heating system will also be modernized.

Various Buildings, Phase One Polychlorinated Biphenyl (PCB) Abatement $25,582,000

The Environmental Protection Agency published a final rule on July 17, 1985 (40 CFR 761) which requires that high secondary voltage network tansformers containing PCB coolant be removed from use by October 1, 1990. PCB coolant utilized in many Government-owned transformers could pose a potential health hazard in the event of fire or leakage. To eliminate the risk of exposure to this toxic substance, GSA proposes to replace Government-owned transformers containing PCB coolant in various Federal buildings. This request is the first of a three-phase program estimated to cost over $60 million. A list of the buildings and estimate costs follows:

	Estimated Construction Cost
Project listing:	
District of Columbia, Federal Building 6	$1,213,000
District of Columbia, Federal Building 8	1,886,500
District of Columbia, Federal Building 9	1,712,500
District of Columbia, Federal Building 10A	1,121,000
District of Columbia, General Accounting Office	3,552,500
District of Columbia, Justice	599,500
District of Columbia, State	2,764,500
Missouri, Kansas City, 601 E. 12th	996,500
Missouri, Kansas City, 1500 E. Bannister	2,560,000
Missouri, St. Louis, 4300 Goodfellow	2,176,000
Virginia, Arlington, Pentagon	7,000,000
Total	25,582,000

Section 4(b)(2) authorizes $126,584,000 for renovations and repairs to public buildings where the cost of each project does not exceed $500,000.

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Section 4(b)(3) authorizes $15 million for alterations of leased buildings. The maximum cost of such alterations to a single building shall be less than $250,000. This authorization is $1 million less than requested in the Budget.

Section 4(c) authorizes $62,205,000 for design and construction services. Included in this amount is $14,146,000 for the management and inspection of repair and alteration projects authorized for construction under section 4(b)(1) of this bill. Also included is $9,740,000 for the design of repair and alteration projects scheduled for construction in future years and having estimated construction costs exceeding $500,000 per project.

Section 4(d) authorizes $985,000,000 for fiscal year 1987 for the rental of building space.

Section 4(e) authorizes $743,619,000 for fiscal year 1987 for real property-operations. This category includes cleaning, routine maintenance, utilities, and protection in Government-owned buildings and some or all of these costs in leased buildings as specified in the lease agreements.

Section 4(f) authorizes $57,090,000 in fiscal year 1987 for program direction. This function encompasses the overall management and administration of the programs of the Public Building Service.

Section 4(g) authorizes appropriations for fiscal year 1987 of $131,442,000 for payment of principal, interest, taxes and any other required obligations related to facilities acquired pursuant to both the Public Building Purchase Contract Act of 1954 (40 U.S.C. 356) and the Public Building Amendments of 1972 (40 U.S.C. 6024). This amount is fixed by previous contractual commitments of the Government that extend for some time into the future. The acts cited above enabled GSA to enter into long-term borrowing arrangments in the private lending markets—in a few cases, through the Federal Financing Bank—to permit construction of a backlog of public buildings projects that has been approved but unfunded when the laws were enacted. Under these purchase contracts, the Government makes regular payments on the loans and title to the buildings passes to the Government at the end of the long-term payment periods.

SECTION 5

Section 5(a) provides that funds appropriated under section 4(a) and 4(b) for construction, renovation, repair, or alteration are to remain available for obligation and expenditure without regard to fiscal year limitations, provided that an appropriation for such projects is received during the same year they are authorized and covers their total estimated costs. That is, funds appropriated for the total cost of construction do not expire at the end of the fiscal year for which they are appropriated but remain available until fully expended.

Section 5(b) gives recognition to the procedure by which the design and the construction phases of new construction and repair and alteration projects are treated as separate budget activities. Funds for design are included in the design and construction services budget activity section 4(c) of this legislation. If projects listed in section 4(a) and 4(b) receive appropriations for fiscal year 1987,

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commencing design for those projects using funds appropriated pursuant to section 4(c) shall constitute compliance with the provisions of section 5(a) regarding the availability of construction funds for such projects in future fiscal years.

SECTION 6

Section 6 provides authority for GSA to undertake emergency renovation, alteration, and repair projects or enter into emergency leases not previously authorized. Ten percent of the funds made available for renovations, repairs, and alterations under section 4(b) could be re-programmed to emergency needs not anticipated when the Administrator submitted his annual program and budget request. Likewise, funds available under section 4(d) may be utilized for lease requirements which could not have been so anticipated. The Committee does not expect that funds would ever be reprogrammed from one subsection in order to meet the needs normally funded through the other subsection. For example, funds should not be reprogrammed from subsection (b) to undertake a lease. Nor should funds be reprogrammed from subsection (d) to renovate, alter, or repair buildings. On the other hand, any funds available within the various components of a subsection may be utilized to meet these respective needs.

The legislation requires that no funds may be obligated under section 6 until 30 days after the submission by the Administrator of an explanatory statement to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House. The explanation should include a description and justification for the renovation, alteration, or repair or lease or alteration to leased space as well as a statement of the reasons the project or lease cannot be deferred to the next succeeding fiscal year.

In the event that the Administrator believes the project or lease responds to such a critical emergency that it should not be deferred for 30 days, he may proceed prior to the lapse of the 30-day period. In such cases, his statement to the Committees should also include his justification for proceeding prior to the 30-day lapse in time.

HEARING

On May 14, 1986 the Committee held a hearing on S. 2397 and the policies and fiscal year 1987 program of the General Services Administration. Testimony was received from Senator Arlen Specter and from William F. Sullivan, Commissioner; Stuart Smith, Executive Director; Jo-Anne Venneberg, Acting Assistant Commissioner for Real Property Planning; and William Lawson, Deputy Assistant Commissioner for Real Property Development, all of the Public Buildings Service, General Services Administration.

COST OF LEGISLATION

Section 403 of the Congressional Budget and Impoundment Control Act requires that a statement of the cost of the reported bill, prepared by the Congressional Budget Office, be included in the report. That statement follows:

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U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 29, 1986.

Hon. ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 2397, the Public Buildings Authorization Act of 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER.

CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE

1. Bill number: S. 2397.
2. Bill title: Public Buildings Authorization Act of 1986.
3. Bill status: As ordered reported by the Senate Committee on Environment and Public Works, July 22, 1986.
4. Bill purpose: This bill authorizes the appropriation of $2.4 billion in receipts of the Federal Buildings Fund to finance activities of the Public Buildings Service of the General Services Administration.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1987	1988	1989	1990	1991
Authorization Level	2,404				
Estimated Outlays	1,950	334	97	23	

The costs of this bill fall within budget function 800.

Basis of estimate: This estimate assumes that the amount authorized will be appropriated. Estimated outlays are based on historical spending patterns.

6. Estimated cost to State and local governments: None.
7. Estimated comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: James Hearn.
10. Estimate approved by: C.G. Nuckols for James L. Blum, Assistant Director for Budget Analysis.

ROLLCALL VOTES

Section 7(b) of rule XXVI of the Standing Rules of the Senate and the rules of the Committee on Environment and Public Works requires that any rollcall votes to be announced in reports accompanying legislation. During the Committee's consideration of this measure, no rollcall votes were taken. The bill was ordered reported by voice vote.

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Evaluation of Regulatory Impact

Section 11(b) of rule XXVI of the Standing Rules of the Senate require the Committee to evaluate the regulatory impact of the reported bill. In view of the fact that the bill primarily affects the internal operations of the Government, there are no new regulatory implications.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the committee reports that the bill makes no changes in existing law.

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